UNITED NATIONS

World Chronicle

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for Administration and Management

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Julia Preston, *The Washington Post*

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THE UNITED NATIONS SECRETARIAT

In its fiftieth anniversary year, the United Nations is under considerable financial pressure. On one hand, there has been a great expansion of its peace-keeping operations. On the other, there are calls for improvement of its financial and management performance. Overseeing reform of this system is Joseph Connor, UN Under-Secretary-General for Administration and Management. He outlines the particular problems of managing an international bureaucracy and efforts to improve its performance, both in financial and human terms. He also discusses how the UN copes with its continuing cash crisis.

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ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is **World Chronicle**.

As the United Nations commemorates its fiftieth anniversary in 1995, the world organization remains under constant pressure to adapt to the new realities of the post-cold war era -- increased demands and responsibilities. Among these is the need to streamline and reinvigorate one of the principal organs of the international organization -- the UN Secretariat.

Our guest today is intimately involved in efforts to reorganize the Secretariat financially and administratively. He is Joseph Connor, UN Under-Secretary-General for Administration and Management.

Joining me to talk with Mr. Connor are Anthony Goodman of Reuters and Julia Preston of *The Washington Post*. Mr. Connor, welcome to World Chronicle.

CONNOR: Thank you very much.

LITTLEJOHNS: Mr. Under-Secretary-General, when you came on board the United Nations, in May of 1994 I believe it was, the Organization was under -- or the Secretariat, excuse me -- was under fire; there were charges in the media, which were to some extent supported by Governments, of waste, abuse, mismanagement, even corruption. Was the situation really that terrible at that time, or was this an invention of some of the harsher critics of the Organization?

CONNOR: I don't think there's any question that the Organization was being questioned very seriously. The numbers of people that were employed, what they were doing, purchasing procedures, financial condition -- clearly what you characterized as waste and abuse was in the minds of most beholders. One of my jobs is to see if we can tighten up the ship. That's not an unusual challenge. Every business -- and that's what we are in many respects -- needs some periodic tightening up, and that's what we're doing.

LITTLEJOHNS: Would you say that the United Nations bureaucracy was worse than other bureaucracies at that time?

CONNOR: It's a different type of bureaucracy. It's characterized by a small organization serving the meeting needs -- conferences, conference servicing -- when it started, now doing a myriad of activities, not the least of which is supporting logistically, personnel-wise and many other respects --

LITTLEJOHNS: Peace-keeping --

CONNOR: -- an enormous standing group of soldiers -- 80,000 or 90,000 in the world, compared to a handful a few years ago. So it's doing more things it was never prepared to do and never really set up to do, as to the extent. So we're going through a learning curve.

LITTLEJOHNS: The international character of the Secretariat: Does that present particular problems that national Governments don't have to cope with?

CONNOR: I think it does. First of all, the Organization is committed to having a staff that is clearly representative of the membership. That means people coming from different backgrounds, different educational systems, with different technical skills. What happens? When the Organization was set up, the easiest way to pull all the people together into a working unit was to say we're going to control the personnel policies, the staff, the direction -- control from the top. That was easy when New York was the principal location -- not the only one, but the principal one; we were all in one building. Now we're all over the world. Control from the top in an era and with the responsiveness required of decentralized accountability and responsibility -- that's a different world. So yes, this type of bureaucracy -- and I'm using that as a good term -- the need to blend people together: I think we've outlived the mechanism that was first set up to control from the top.

PRESTON: Mr. Connor, along those lines, it seems that many UN jobs are lifetime sinecures for the people who hold them. Is there a prospect that there will begin to be merit hiring and merit promotion at the United Nations?

CONNOR: Well, you know, we've had a hiring freeze on for some time, either a specific documented one, easily understood, or a very "go slow" policy. It has been, frankly, a mindset that you were here for a career. That's getting upset. Separations are being made. For example, voluntary contributions [for] development projects -- they're falling off from Governments. The implementers of those development projects are accordingly being downsized. When revenue begins to dry up on voluntary contributions, you have to adjust your resource base. And a number of separations have been made.

We're clearly putting in a more -- and I'm going to use the term discriminating, and that's a good term -- discriminating performance evaluation system that lets us see who's doing a good job and who is not doing a good job. And that will be a forerunner of a more aggressive weeding-out of staff members, sometimes because they lack the skills or the interest, or because of changes in the Organization, so that we can better measure the return on our personnel investment. And that will lead to increasing separations, just like any other organization in the world.

LITTLEJOHNS: But what about the people who have permanent contracts, Mr. Connor? What's going to happen to them?

CONNOR: Well, we have ways, and they're legislated by the General Assembly. A number of those that I referred to had permanent contracts. When the job disappears, we can eliminate the post. Sounds simple, but that's exactly what we'll do.

LITTLEJOHNS: But don't they have to be transferred to something else where there is a job?

CONNOR: We have a commitment to see if we can use them somewhere else. But if we can't, then they are -- in effect, they lose their jobs.

PRESTON: In connection with that, Mr. Connor, let me ask you, the internal justice system of the United Nations in many cases has seemed to be a sort of interminable obstacle that staffers can turn to to prevent themselves from being disciplined or laid off or held accountable for the work that they do. Is there a real prospect of reform of that system so that every order that comes down in terms of getting staffers to be more productive isn't turned into a four-year marathon of paperwork?

CONNOR: I think I would characterize the present system as very litigious. There is wide documentation giving enormous protection to the staff members relative to holding on to a position. And you are quite right when you say some of these adjudicative processes -- and we have to have our internal system of justice because we're not under any outside governmental activities -- clearly there is an excess of time devoted to this. One of the major initiatives that is now under way, which the General Assembly approved in principle a few months ago, is to speed up the process deliberately, because reaching a resolution is just as important here as it is elsewhere. So we're moving towards a system of, first, informal resolution of disputes, meaning between the human resource people and the staff member, when performance is inadequate -- that's the informal; we're moving towards ombudsmen to facilitate that process; and we're moving towards compulsory arbitration. All of which we tried in other parts of the Organization, UNDP particularly --

LITTLEJOHNS: UN Development Programme.

CONNOR: Right. And it does speed it up. At the end of the day, I think it's the right way to go so that if a staff member leaves he recognizes that he has had a good experience here, even if it terminates before 60 years of age.

LITTLEJOHNS: Which is the normal retirement age.

CONNOR: Yes, it is.

GOODMAN: Mr. Connor, as I'm sure you're aware, politics permeates the United Nations. It can rule everything from what gifts are put on display from what countries to what wine is served in the Delegates Dining Room. Do you find that this intense politicization of everything impinges very heavily on smooth administration?

CONNOR: In one particular sense. Ten years ago, the Member States decided that as to all significant issues they would legislate based on consensus. One hundred and eighty-five Member States have to be in agreement. How does it affect the work of my colleagues? Well, very dramatically. We are charged with preparing the material that eventually gets acted upon

by the General Assembly. So we participate in all the consensus-building discussion of everything -- peace-keeping budgets, changes in the human resource management system, the development and implementation of a huge computer operation. The costs of that must be approved by consensus. It is a slow process. It is a consensus-building process, but particularly slow because of the levels that one goes through to gain that consensus.

GOODMAN: And this is an obstacle that you wouldn't meet in your vast corporate experience, I take it.

CONNOR: Let me correct your question. I never worked for a corporation, I worked for a partnership, and that is a very similar activity. As the chairman of that partnership, I was always building consensus. The chairman, the management of the firm never got out in front of the partners. If you did, you would no longer be the chairman.

GOODMAN: But not 185 of them, right?

CONNOR: That's right. We could build consensus a lot faster. Some of that was because we had a very clear sense of what our strategy and mission were. That's important. One of the fundamental changes that the Secretary-General is now putting in place is that for the first time we will have -- we're going to call it a four-year, medium-term plan -- a strategic document that will be the thrust of the Organization's follow-on efforts. In other words, the strategic document will identify what we want to do; the budget, what we want to spend to do it; and the performance measurement system, what we got out of the expenditures that we made. That's a several-year cycle. In the past we have not had congruence -- a strange word, but what it means is you can actually follow what you intended to do to the end, what you got out of trying to do it. I think the Member States are striving in particular cases, sometimes rather vehemently, to see what the Organization is delivering. I believe that the trail has not really been drawn very far. If we can lock in on a strategy at the beginning -- but the Secretary-General has to take a very strong hand in that -- I think that will aid the consensus-building as we go through the second and third cycle. That's where the Member States check that we're doing what they want us to do. So I think we've set the plan in motion. We'll see how it comes out.

LITTLEJOHNS: Mr. Connor, we're always hearing about the UN's financial crisis. It seems to be a constant litany. What is the situation now, as we do this programme? Is the UN in a serious financial situation?

CONNOR: The UN is always in a serious financial situation. And I'm not being facetious. We are dependent on assessments of Member States.

LITTLEJOHNS: And Governments just don't pay up.

CONNOR: Not only do they not pay up, but sometimes the mandate period is over before we even get the assessments out the door! I believe, for example, that January 18 was

the last large assessment that went out, for peace-keeping, particularly in the former Yugoslavia. $1 billion for that one operation. The mandate period ended December 31. That meant that we were financing all the activities in UNPROFOR, the mission name, without any cash coming in relative to that. How do we do it? Basically, we always have cash. The reason we have cash is we don't pay our bills. And the biggest creditor of the Organization --

LITTLEJOHNS: Price Waterhouse would never tolerate that, I guess! [LAUGHTER] Coming back to your partnership reference.

CONNOR: One of my colleagues said "This is the kind of an operation that your firm wouldn't want as a client." And I really say that facetiously, because this is a member-driven organization. A group of Member States, the true providers, have provided as much as $1 billion in credit, because they don't get paid for their troops, they don't get paid for the equipment they provide. Some of those debts go back over several years. We will always be in a financial crisis; until we do two things, we will not significantly change that. One is to move the cash flow situation closer to when we need it. We have to find a way to get cash here from the Member States as near as we can to the point at which they decide there's going to be a peace-keeping mission. We don't have that same problem on the regular budget. It goes for a year at a time, it's assessed as of the beginning of the year. We begin to receive payments in January. Not all of them. As a matter of fact, only 70 states have in fact paid their assessment in full by the end of the preceding year. So there are lots of delays there. But by and large, we have a steady cash income as Member States do make payments throughout the year, early in many cases, later in the case of one particular Member State. How do we manage to do that?

LITTLEJOHNS: We have to do the mid-show ID. This is World Chronicle, our guest is Joseph Connor, United Nations Under-Secretary-General for Administration and Management. Anything you wanted to add to that, or should we go to another question?

CONNOR: Let's go to another question.

PRESTON: Mr. Connor, hostility towards the United Nations seems to be on the rise in Washington. And I'm wondering how you regard the prospect that it may be much more difficult to get funds from the United States for UN operations, and certainly much more difficult to get them in a timely fashion.

CONNOR: We are obviously concerned about the financial situation. The United States is the largest contributor, paying roughly 25 per cent of the regular budget and about 31 per cent of the peace-keeping operations. So any slow-down in payments by a major State is a major problem. We were extremely happy last summer to receive legislative news that the United States would pay $1.2 billion, and they did, by the end of the year, during those several months that followed. That substantially reduced their arrearages. Our uncertainty now is what happens in 1995. The pattern of payment by the United States has been very late in the

calendar year for its regular budget assessment, and the prospects of further delays in peace-keeping bother not only me, as, in effect, the financial manager of this organization, but all the other Member States who are going to have to carry the financing of that by not getting paid for their troop contributions, the troops that they deliver to the missions. In other words, I'm not the creditor that's waiting for payment by the United States, it's the other Member States.

PRESTON: Mr. Connor, you have the kind of curriculum vitae that Republicans like, I think. Are you going to be travelling to Washington to make your case?

CONNOR: Well, I think that it's always good to have contact with the ultimate client. The legislators there have to be convinced that we can deliver value for the money. I'm sure that's going to be a tough job. I read the newspapers, too. But I'm anxious to take my turn at the plate on this one.

GOODMAN: There is the possibility, isn't there, that the US will reduce its peace-keeping assessment unilaterally from 31 to 25 per cent later this year? And then there's the National Security Revitalization Act, which is possibly going to cut it even further. This is obviously a serious matter, isn't it?

CONNOR: It's a serious matter, you're absolutely right. And we've got to jump on the matter. Mid-October, the Secretary-General presented, in an unusual statement to the General Assembly, a situation analysis dealing with the financial situation, commenting as to the desperate cash flow needs -- the needs do accelerate, offering suggestions as to how to do it, and ending up by saying that it really doesn't make sense to speed up cash flow from an assessment scheme if the Member States themselves are not happy with how that assessment scheme ends up with the United States paying 25 per cent and Britain paying 6 -- and I'm just using numbers, there are some of these other countries. There has to be fundamental agreement, acceptance of the fairness of the scale of assessment, as it is called here. A debate at a very high level will begin. It had an opening session a few months ago. Now the open-ended working party will consider all aspects of the financial situation. So the Member States are beginning to respond. I'm not predicting what, if any, changes they will make, but I think it is a very timely and very necessary effort to take a careful look both at the financing arrangements and the acceptability of the scale.

GOODMAN: On a perhaps lighter note, if you can call a robbery lighter, last year there was a detective story actually in the UN, when about $4 million was stolen from a safe in Mogadishu. Scotland Yard I think was brought into that. Have there been any developments on that?

CONNOR: You have stated almost the whole story. There was, just as you describe it, although the exact number was $3.9 million, a theft in the administrative office of the mission in Mogadishu. There's no banking system in that country, obviously. Large amounts of cash

were required to be kept on hand. Lots of bills, all the local employees that provided service to the Organization had to be paid. In my view there was carelessness in the physical safeguarding of that, and disciplinary actions were taken. The follow-through, who actually stole the money, was the reason the British Government made the services of Scotland Yard available to the Secretariat, at the Secretary-General's request. That will be an ongoing investigation. But there are no new developments. The investigation continues.

PRESTON: When I came back from the New Year holiday some time ago, I found on the press racks on the third floor a copy of the translation to Chinese of the 1986 United Nations Legal Handbook. It was completed in 1984 and made available to the press in 1995, that is to say nine years after it was published first in English. Now, you've talked about macro-management and changing the goals, but when something like this happens -- this book was 498 pages long -- it makes one think that the management at a deep level of this organization is not in control. And I wonder, why does this continue to happen? And are you satisfied that by changing the macro approach you can really get a grip on this kind of not-useful work that goes on at the United Nations?

CONNOR: I'm not sure if you're talking about not useful or untimely. There's probably a little bit of both in your question. I think, yes, we are slow to produce things. The system tends to strangle quick response. Procedures take over -- the difficulty of producing a changed telephone book, because of the restructuring that has gone on. I'm not going to hide behind a macro approach, but I'm going to emphasize one aspect of it. There has been a failure, in the management sense, to hold individual staff members responsible for producing what they're asked to do on a timely basis. One of the things we're trying to do is to identify for each staff member exactly what he's supposed to do and when he's supposed to get it done, and to sign him on board that he acknowledges that's what he's supposed to do, whether it's producing a legal document, a telephone book, or a paper for the General Assembly. When there is one person hanging by his thumbs, knowing he's the responsible person, you know who did it. There have been too many failures here, too many signatures on a document or a purchase or something like that. You can sometimes tell who really made the decision, but the system doesn't help you identify because it adds rather than spotlights. And we're trying to change that too.

LITTLEJOHNS: But it's also very difficult to fire people if they don't deliver, Mr. Connor, isn't it, in the UN system?

CONNOR: It has been difficult, I think because there has been a lack of determination to look critically at performance. And I can understand that in some measure. I think the front end needs first to agree on what a decent performance is going to be. The new performance evaluation system has the supervisor and the staff member agreeing, right out of

the hat, what that staff member is supposed to achieve during the next year. We've done it on a test basis. I think it's interesting to put this in a very concrete sense. I am very unhappy with the performance evaluation system that we have here, because substantially everybody is rated outstanding. I haven't met that group of people yet in my life. The test that we give on a new performance, and we're now putting it in place, looks just like everybody else's normal curve. The human situation is that there's a fairly large group in the middle doing exactly what you want them to do, and there are some superstars at one end and some not-so-superstars at the other. We hope to identify very clearly both ends, both to reward and to not reward. That would be a monumental change in the Organization. The Staff Committee that we consult with here is supportive. I think staff members generally are. They're hurt by the criticism in the newspaper. They didn't join this organization to be ripped apart for inefficiency.

LITTLEJOHNS: Mr. Connor, I'm afraid we'll have to leave it at that. That's all the time we have. Thank you for being with us on this edition of World Chronicle.

Our guest has been Joseph Connor, United Nations Under-Secretary-General for Administration and Management. He was interviewed by Anthony Goodman of Reuters and Julia Preston of *The Washington Post*. I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of World Chronicle.

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